

'Enterprises in Europe, 2nd report':

Summarized overview

Note on the publication 'Enterprises in Europe'

The following remarks give a brief summary of this publication, which was compiled jointly by Directorate-General XXIII and Eurostat with the assistance of *inter alia* national statistical institutes for the data collection.

This publication also contains data on the twelve EC Member States plus five EFTA (European Free Trade Association) countries and offers various thematic analyses and international comparisons.

The publication "Enterprises in Europe" will be on sale from the Office for Official Publications of the European Communities as of September 1992.

In 1988, there were around 11.6 million enterprises in the European Community (excluding agriculture and personal services, NACE 0 and 9 respectively) and these employed 80.7 million persons.

More than two persons in three work in SMEs or micro-enterprises

92% of enterprises employ fewer than 10 persons (Figure 1a). These micro-enterprises (0-9 employees) account for 29% of the total workforce (Figure 1b), but given their lower level of apparent labour productivity, their share of total turnover is only 22% (Figure 1c). SMEs in the strict sense of the term (10-499 employees) make up 40% of the workforce and account for 49% of total sales by enterprises.

Figure 1a

EUR 12 1988

Distribution of enterprises by employment size-class

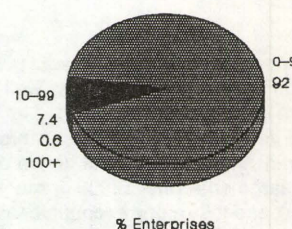


Figure 1b

EUR 12 1988

Distribution of employment by employment size-class

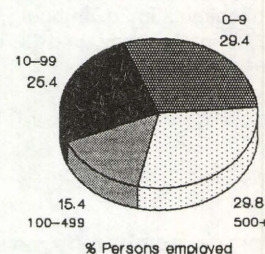


Figure 1c

EUR 12 1988

Distribution of turnover by employment size-class

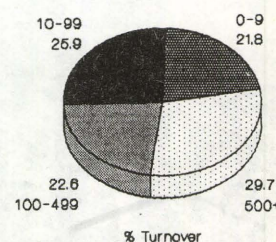
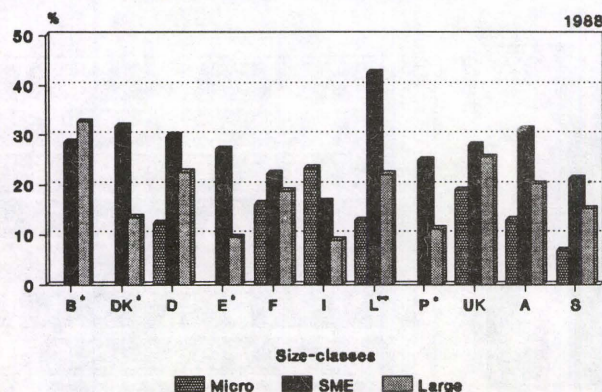


Figure 2

Employment as a percentage of active population by country and by size-class



* No micro size-class as class 0 is not available.
** Figures for Luxembourg refer to 1987.

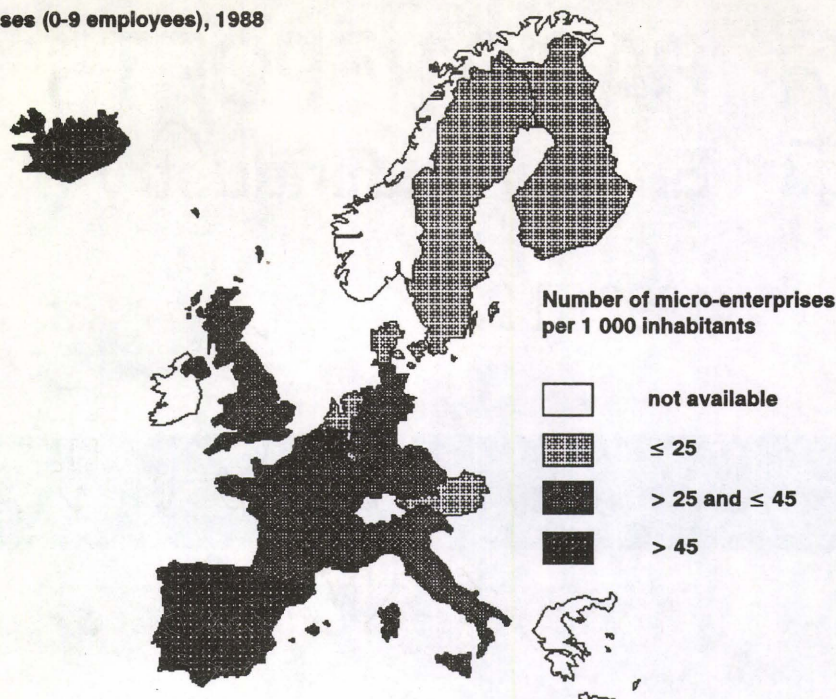
Manuscript completed on = 27.07.1992

For further information please contact: T. LEEMANS
Eurostat, L-2920 Luxembourg, tel. 4301-2290 Fax: 4301 4771

Price (excl. VAT) in Luxembourg: Subscription ECU 192

Catalogue number: CA-NL-92-022-EN-C

Chart 1: Density of micro-enterprises (0-9 employees), 1988



Source: Eurostat.

More large enterprises in the north of Europe

The number of micro-enterprises is particularly high in southern Europe, as well as in Belgium and Iceland (map 1). In Italy, micro-enterprises employ even more persons than SMEs in the strict sense of the term or large enterprises (500 or more employees), and they alone account for almost one quarter of the active population (Figure 2).

On the other hand, medium-sized and large enterprises (over 100 employees) are more in evidence in the northern countries (map 2). There are 45 of these enterprises per 100 000 inhabitants in Luxembourg, 35 in Denmark, 33 in Germany, and 32 in the United Kingdom and Austria.

The average size of Community enterprises is smaller than that of American enterprises

In the United States, the average number of staff in enterprises with more than 10 employees is 83 persons, as against only 62 in the Community.

This difference is mainly due to large enterprises, which have much less weight in terms of employment in the European Community than in the United States (42% work in enterprises with more than 10 employees as against 57%).

Moreover, the Community's large enterprises boast fewer very large units amongst their ranks. In all sectors with the exception of transport and telecommunications, the average workforce is appreciably lower than in the United States (Figure 3).

However, the average workforce of Community SMEs (in the strict sense of the term) is fairly similar to that of their American counterparts.

The average size of this category of enterprise in the EC does in fact vary considerably from one country to the next, and is much higher in Luxembourg and the United Kingdom than in Denmark or Italy (Figure 4).

Figure 3

Average number of persons employed in large enterprises (500 or more employees)

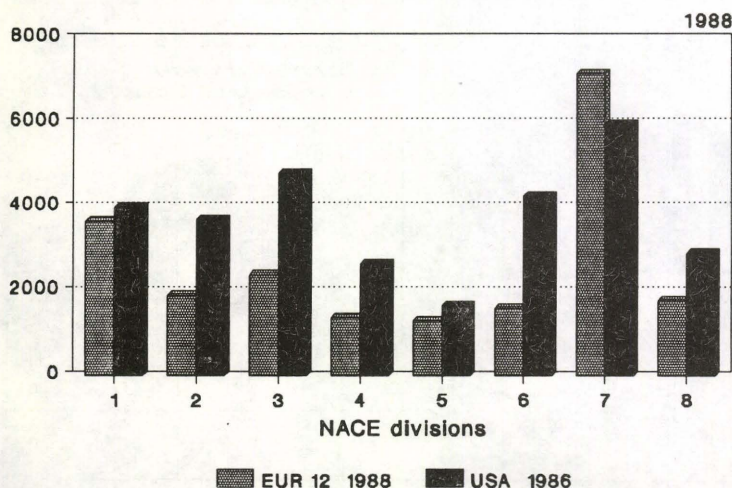
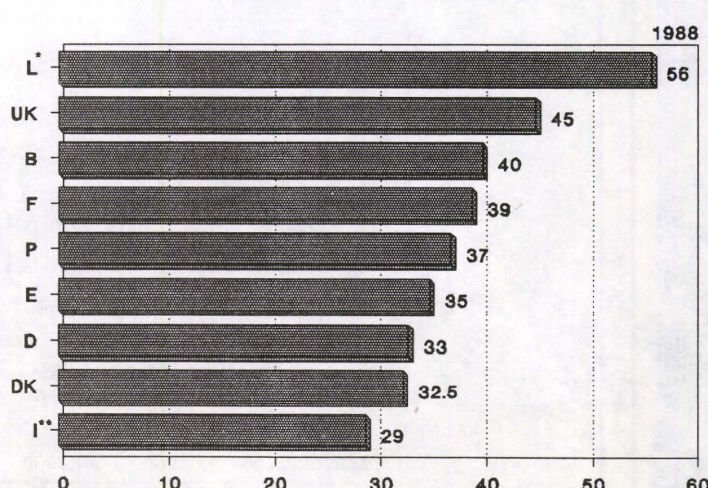


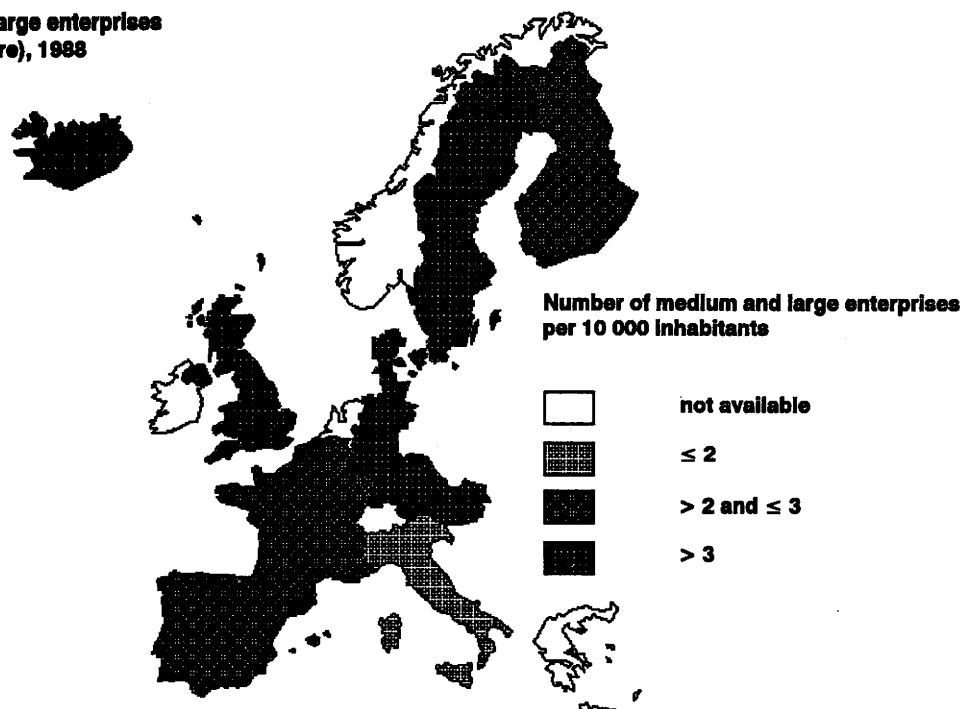
Figure 4

Average number of persons employed in SME's (10-499), by country



* Figures for Luxembourg refer to 1987. ** NACE division 9 excluded.

**Chart 2: Density of medium and large enterprises
(100 employees or more), 1988**



Source: Eurostat.

Micro-enterprises in the consumer goods, construction and services sectors

In each country of the European Community, the average size of industrial enterprises is much higher than for the other sectors (Figure 5).

Within industry, medium-sized and large enterprises appear to be more involved in the manufacture of intermediate and capital goods (Figure 6).

On the other hand, the average size of enterprises is fewer than 15 persons in most of the consumer goods industries.

More specifically, the larger the industrial enterprise, the greater the chance that its activities will be towards the start of the production process.

Furthermore, large enterprises are engaged in medium or high-technology activities¹ more often than SMEs (10-499 employees) and particularly micro-enterprises. This phenomenon is particularly marked in Italy and France (Figures 7a and 7b).

Large enterprises are, in effect, better placed to devote a considerable proportion of their turnover to research and development expenditure.

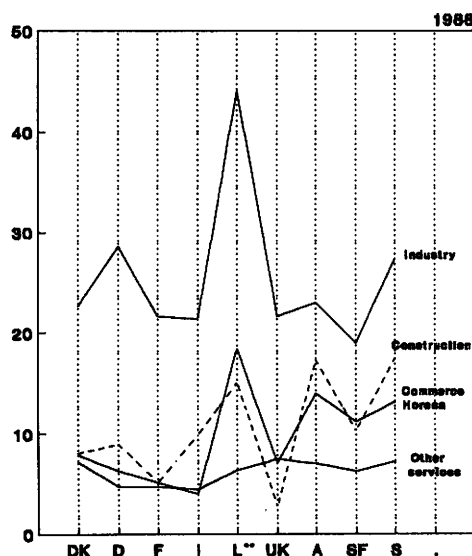
¹ R&D on turnover ratio exceeds 4% (high) or amounts to between 1 and 4% (medium), OECD, 1980.

Labour productivity: large enterprises at the forefront in industry, medium-sized enterprises in the services sector

In industry, the per capita turnover increases with the size of the enterprise in all the countries of the European Community (Table 1). The results achieved by large enterprises are, however, considerably poorer than those of other enterprises in the transport sector (NACE 7), finance, real estate and business services (NACE 8). In these last two sectors as well as in the distributive trades and hotel, restaurant and catering sectors (NACE 6), medium-sized enterprises (100-499 employees) perform better than small enterprises (10-99 employees).

Figure 5

Average number of persons employed^{*}
per enterprise and by country



* Size-class 0 is included.
** Figures for Luxembourg refer to 1987.

Figure 6

Average number of persons employed
per enterprise by industrial activity

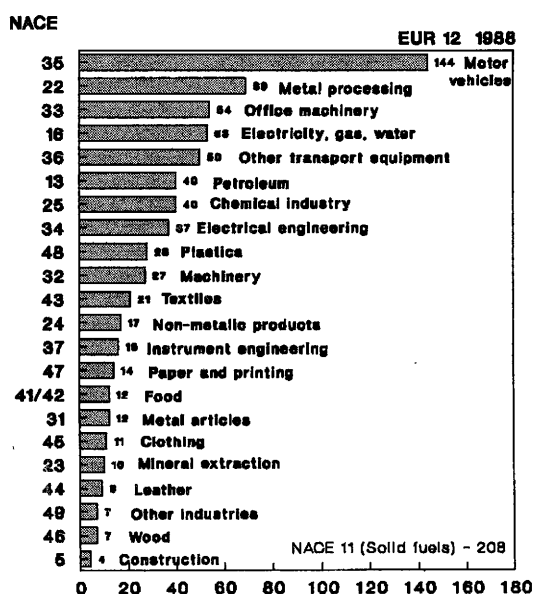
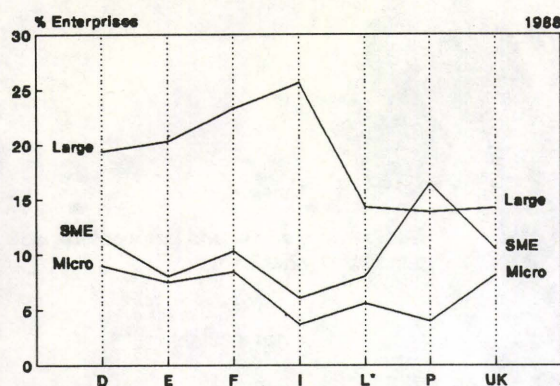


Figure 7a

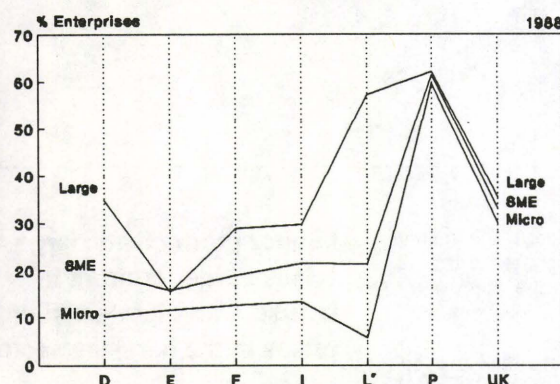
Percentage of each size-class, by country,
in high technology activities



* Figures for Luxembourg refer to 1987.

Figure 7b

Percentage of each size-class, by country,
in medium technology activities



* Figures for Luxembourg refer to 1987.

Table 1

Average turnover per person by size-class
and one-digit NACE

EUR 12 1988

NACE	0	10	20	100	200	500+
1	84	46	64	61	223	96
2	83	57	72	79	82	123
3	60	59	68	71	80	132
4	67	68	88	107	125	136
5	83	98	110	118	126	128
6	61	92	126	214	240	106
7	133	168	185	385	238	40
8	110	178	182	202	94	36

Average of each activity = 100.

Average turnover/person
above mean activity level.

Highest turnover/person
in the activity.

Source: Eurostat.

Table 2
Overall view of data, 1988

	Number of enterprises (thousands)	Number of persons employed (thousands)	Share of employment (%)			
			Micro	Small (10-99)	Medium (100-499)	Large (500 or more)
EUR 12	11 585.1	80 715.2	29 ¹	25	16	30
Belgium	525.7	2 223.8	17 ²	28	19	36
Denmark	126.2	1 640.3	20 ²	38	18	24
Germany	2 125.7	18 731.6	17 ²	29	18	36
Greece	:	:	:	:	:	:
Spain	2 018.5	6 896.4	24 ²	36	20	20
France	2 009.8	13 506.4	28 ¹	25	14	33
Ireland	:	:	:	:	:	:
Italy	1 698.5	11 683.5	48 ¹	24	10	18
Luxembourg	14.6	139.0	22 ¹	29	23	26
The Netherlands	291.2	2 892.2	28 ²	37	14	21
Portugal	642.6	2 204.1	24 ²	33	20	23
United Kingdom	2 629.9	20 425.2	26 ¹	20	17	37
Iceland	18.5	77.9	36 ²	33	<-----	-----31
Norway	:	:	:	:	:	:
Austria	181.9	2 183.7	:	:	:	:
Finland	119.1	1 344.8	17 ¹	27	17	39
Sweden	146.1	1 908.1	:	:	:	:

¹ Size-class 0-9.

² Size-class 1-9.

: = not available.

Source: Eurostat.